

STORAGE NAME: h1967.frc.doc
DATE: February 25, 2002

HOUSE OF REPRESENTATIVES
FISCAL RESPONSIBILITY COUNCIL
ANALYSIS

BILL #: HB 1967 (PCB FRC 02-17)
RELATING TO: Human Resource Management
SPONSOR(S): Fiscal Responsibility Council and Representtaive Lacasa
TIED BILL(S):

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) FISCAL RESPONSIBILITY COUNCIL YEAS 21 NAYS 0
 - (2)
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

Under current law, the Department of Management Services has the responsibility to establish and maintain a personnel information system. The Cooperative Personnel Employment Subsystem (COPEs) is the current information system used by state agencies.

This bill grants authority to the Department of Management Services to establish and maintain a personnel information system by contracting with a private sector vendor for human resource and personnel administration services. The bill makes conforming changes to allow the maintenance of personnel records by the state rather than the employing agency and to allow the vendor to assist the Department in compiling data.

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II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Currently, Florida Statutes contain minor inconsistencies related to the Department of Management Services' (Department) human resource outsourcing project. Section 110.116, F.S., provides that the Department of Management Services shall establish and maintain a personnel information system. In compliance with section 110.116, F.S., the current personnel information system provided by the Department is the Cooperative Personnel Employment Subsystem (COPES). The Department is the current functional owner of COPES. See Fla. Stat. § 215.94.

The Division of Human Resource Management shares responsibility for the COPES with the State Technology Office. COPES is an automated database that provides state agencies with statewide personnel data, such as employee salaries, positions, vacancies, turnover, leave and recruitment. The State Technology Office operates and maintains the COPES database, and the Division of Human Resource Management administratively supports and coordinates activities of COPES.

Department of Management Service's Efforts to Outsource

Section 49 of chapter 2001-254, L.O.F., directed the Department to submit to the Governor, the presiding officers of the Legislature and the chairs of the legislative appropriations committees a plan for outsourcing human resource services. The statute requires the approval of the plan by the presiding officers and the appropriations chairs prior to the Department contracting for such services.

On September 25, 2001, the department submitted the plan. The plan contemplates a 7-year, \$278 million contract with a private company. Convergys, Inc. is the vendor that has been identified, through an RFI process, as the prime candidate for the contract. To date, only the Speaker of the House and the Chair of the Fiscal Responsibility Council have approved the plan; thus the services have not been outsourced.

C. EFFECT OF PROPOSED CHANGES:

This bill grants authority to the Department of Management Services to contract with a private vendor to provide human resource management services to state agencies. Conforming changes are made to allow the private vendor (rather than state agencies) to collect and maintain certain personnel records and report data.

D. SECTION-BY-SECTION ANALYSIS:

Section 1 amends s. 110.116, F.S., to grant the Department of Management Services the authority to contract with a vendor to provide a personnel information system.

Section 2 amends s. 110.201, F.S., to provide that the Department of Management Services may use the assistance of a contracted vendor to maintain records and reports related to employees and positions in the career service.

Section 3 amends s. 110.406, F.S., to allow the Department of Management Services to use the assistance of a contracted vendor to annually compile data regarding the administration of the Senior Management Service.

Section 4 amends s. 110.606, F.S., to allow the Department of Management Services to use the assistance of a contracted vendor to annually compile data regarding the administration of the Selected Exempt Service.

Section 5 amends s. 215.92, F.S., to redefine the term "functional owner", as it relates to the Florida Financial Management Systems Act.

Section 6 amends s. 215.93, F.S., to replace specific reference to the Cooperative Personnel Employment Subsystem with the Personnel Information System in order to be more consistent with providing services assisted by a vendor.

Section 7 amends s. 215.94, F.S., to grant authority to the Department of Management Services to contract for services to assist in maintaining the personnel information system.

Section 8 provides that the act shall take effect upon becoming a law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require cities and counties to spend money or to take an action to expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the revenue raising authority of cities and counties.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties and municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

The bill does not grant any rule-making authority.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

FISCAL RESPONSIBILITY COUNCIL:

Prepared by:

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